

Message Text

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ACTION OES-04

INFO OCT-01 EA-06 ISO-00 ABF-01 TRSE-00 OMB-01 H-01 FEA-01

ACDA-05 CIAE-00 INR-05 IO-10 L-02 NSAE-00 NSC-05

RSC-01 DODE-00 SSO-00 INRE-00 /043 W

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O R 192315Z DEC 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 6856

INFO AEC GERMANTOWN

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E.O. 11652: NA

TAGS: TECH JA US

SUBJ: ABCC

REF: A. TOKYO 16302; B. STATE 277167

1. FONOFF HAS PROVIDED PROPOSED TEXT TO COVER INITIAL CONTRIBUTIONS TO NEW INSTITUTE. TEXT, WHICH WOULD SUBSTITUTE FOR PARA 2 OF RECORD OF DISCUSSIONS FOLLOWS:

THE REPRESENTATIVES OF THE TWO GOVERNMENTS STATED THAT, IN VIEW OF THE FACT THAT THE GOVERNMENT OF THE UNITED STATES OF AMERICA HAS THE INTENTION TO DISSOLVE THE ATOMIC BOMB CASUALTY COMMISSION (HEREINAFTER REFERRED TO AS "ABCC") UPON THE ESTABLISHMENT OF THE FOUNDATION AND TO OFFER TO THE FOUNDATION ALL THE BUILDINGS, FACILITIES AND EQUIPMENT IN JAPAN IN CURRENT USE BY ABCC ON THE DAY OF INAUGURATION OF THE FOUNDATION, IT IS APPROPRIATE FOR THE FINANCIAL CONTRIBUTION OF EACH GOVERNMENT IN THE FIRST FINANCIAL YEAR (APRIL 1, 1975--MARCH 31, 1976) AFTER THE INAUGURATION OF THE FOUNDATION IN THE SAID FINANCIAL YEAR PLUS THE AMOUNT CORRESPONDING TO THE VALUE OF THE ABOVE-MENTIONED BUILDINGS, FACILITIES AND EQUIPMENT TO BE OFFERED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA, PROVIDED THAT THE FINANCIAL CONTRIBUTION OF THE GOVERNMENT OF THE

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UNITED STATES OF AMERICA SHALL INCLUDE THE VALUE OF THE FORE-

GOING BUILDINGS, FACILITIES AND EQUIPMENT OFFERED BY THE SAME GOVERNMENT, AND FURTHER STATED THAT, TO THAT END, EACH GOVERNMENT HAS THE INTENTION TO SEEK THE NECESSARY BUDGETARY APPROPRIATION.

2. WHILE TEXT APPEARS TO BE COMPLEX, FOR REASONS CITED IN PARA 3, IT DEFINITELY CONFORMS TO UNDERSTANDING OF ARRANGEMENT AS DESCRIBED IN REF A, AS FOLLOWING EXAMPLE, USING SAME FIGURES AS IN REF A, WILL SHOW:

ANNUAL EXPENSE OF FOUNDATION \$8.2 MILLION

VALUE OF US INITIAL CONTRIBUTION 1.2 MILLION

TOTAL \$9.4 MILLION

1/2 SHARE OF ABOVE \$4.7 MILLION
(EQUIVALENT TO GOJ PAYMENT)

1/2 SHARE OF ABOVE LESS VALUE OF US \$3.5 MILLION
INITIAL CONTRIBUTIONS
(EQUIVALENT TO US PAYMENT)

DIFFERENCE \$1.2 MILLION

3. SEEMING COMPLEXITY OF FORMULATION RESULTS FROM GOJ NECESSITY TO CAST THEIR CONTRIBUTION IN TERMS OF PAYMENT TO INSTITUTE FOR OPERATIONS, RATHER THAN AS PAYMENT TO US OR PURCHASE AND CONTRIBUTION OF REAL ESTATE, NEITHER OF WHICH THEY CAN DO. AT SAME TIME, FORMULATION PRESERVES FIFTY-FIFTY PRINCIPLE, AND LINKS THEIR PAYMENT TO US CONTRIBUTION OF BUILDINGS. UNDER LIMITATIONS DESCRIBED ABOVE, FORMULATION IMPRESSES EMBASSY AS INGENIOUS, AND, IN OUR VIEW, SATISFACTORY.

4. IN MAKING TEXT AVAILABLE, MATSUURA EXPLICITLY RECONFIRMED UNDERSTANDING THAT GOJ CONTRIBUTION WOULD BECOME AVAILABLE DURING FIRST QUARTER JFY 1975; I.E., APRIL 1- JUNE 30, 1975. HE STATED THAT GOU WISHED TO AVOID INCLUSION OF THIS DETAIL IN TEXT, AND THAT, SINCE PRINCIPLE OF EARLY PAYMENT HAD ALREADY BEEN ESTABLISHED IN CONNECTION WITH GOJ CONTRIBUTION TO CURRENT YEAR'S LIMITED OFFICIAL USE

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ABCC EXPENSES, HE HOPED US WOULD RELY ON VERBAL UNDERSTANDING ON THIS POINT, AS WE DID THIS YEAR. EMBASSY BELIEVES THERE IS FULL UNDERSTANDING ON THIS POINT AND RECOMMENDS THAT WE NOT PRESS FOR ITS INCLUSION IN TEXT.

5. MATSUURA ALSO STATED THAT GOJ APPROVES AUDIT PROCEDURE DEVELOPED ON AD REFERENDUM BASIS DURING TOKYO DISCUSSIONS; I.E., THAT USG (INCLUDING GAO) MAY AUDIT NAS, AND NAS MAY AUDIT NEW INSTITUTE.

HE ASKED FOR CONFIRMATION OF UNDERSTANDING WHICH HE BELIEVES WAS REACHED IN DISCUSSIONS THAT AEC-NAS CONTRACT WOULD NOT RPT NOT PLACE WRITTEN REQUIREMENT ON NAS TO UNDERTAKE AUDITS, SINCE TO DO SO WOULD, IN EFFECT, MAKE NAS AN AGENT, THEREBY CONFLICTING WITH GOJ POLICY INHIBITIONS AGAINST INSPECTION BY FOREIGN GOVERNMENTS. MATSUURA STRESSED THAT ONLY OBJECTION IS TO WRITTEN REQUIREMENT IN AEC-NAS CONTRACT; NOT TO PERFORMANCE OF AUDITS OR TO UNDERSTANDING BETWEEN AEC AND NAS THAT THESE MUST BE DONE. EMBASSY WOULD APPRECIATE CONFIRMATION OF GOJ UNDERSTANDING AND ADVICE ON ACCEPTABILITY OF TEXT.

6. EMBASSY GREATLY APPRECIATES REF B, WHICH RECEIVED AFTER PREPARATION OF FOREGOING PARAS. THIS MESSAGE APPEARS RESPONSIVE TO PARA 3 OF REF B, EXCEPT FOR TEXT OF MODIFICATION OF PARA 2 OF MINUTES. GOJ HAS NOT YET PROVIDED PROPOSED TEXT FOR THIS PURPOSE, BUT EMBASSY RECOMMENDS MORE BASIC TEXT CITED ABOVE BE REVIEWED IN MEANTIME.
HODGSON

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Message Attributes

Automatic Decaptioning: X
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
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Disposition Date: 28 MAY 2004
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30 JUN 2005

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